

## SENATE BILL NO. 265

INTRODUCED BY D. HARGROVE, VICK, BALLYEAT, BERRY, BOHLINGER, DEPRATU, EKEGREN,  
FRANKLIN, GILLAN, HEDGES, JENT, KEENAN, LAIBLE, LEWIS, MAHLUM, MCNUTT, MOHL, O'NEIL,  
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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A LOCAL GOVERNMENTAL ENTITY TO IMPOSE  
LESS THAN THE MAXIMUM NUMBER OF MILLS AUTHORIZED AND TO CARRY FORWARD THE  
AUTHORITY TO IMPOSE THE MAXIMUM NUMBER OF MILLS IN A SUBSEQUENT TAX YEAR; AND  
AMENDING SECTIONS 7-6-2531, 7-6-4431, AND 15-10-420, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-6-2531, MCA, is amended to read:

**"7-6-2531. County may exceed or impose less than maximum mill levy -- election required to  
exceed.** The governing body of a county may raise money by taxation for the support of county  
government services, facilities, or other capital projects in excess of the levy or levies allowed by law  
under the following conditions:

(1) The governing body shall pass a resolution indicating its intent to exceed the current statutory  
mill levy on the approval of a majority of the qualified electors voting in an election under subsection (2).

The resolution must include:

- (a) the specific purpose for which the additional money will be used;
- (b) the specific amount to be raised;
- (c) the approximate number of mills required; and
- (d) the specific mill levy limitation to be exceeded.

(2) (a) Except as provided in subsection (2)(b), the governing body shall submit the question of  
the additional mill levy to the qualified electors of the county at the next regular primary election held in  
an even-numbered year.

(b) If the purpose of the special levy designated pursuant to subsection (1)(a) is for the support  
of a health care facility as described in 7-6-2512, the governing body may submit the question of the  
additional mill levy to the qualified electors of the county at a general election, at a school election held

1 pursuant to 20-3-304, or at a regular primary election held in an even-numbered year.

2 (c) If the majority voting on the question are in favor of the additional levy or levies, the governing  
3 body is authorized to exceed the statutory mill levy limit in the amount specified in the resolution for a  
4 period not to exceed 2 years.

5 (3) An election is not required for a governing body to impose less than the maximum number of  
6 mills or to carry forward authorization to impose the maximum number of mills in a subsequent tax year  
7 as provided in 15-10-420(1)(b)."

8

9 **Section 2.** Section 7-6-4431, MCA, is amended to read:

10 **"7-6-4431. Authorization to exceed or impose less than maximum mill levy -- election required**  
11 **to exceed.** The governing body of a municipality may raise money by taxation for the support of municipal  
12 government services, facilities, or other capital projects in excess of the levy or levies allowed by law  
13 under the following conditions:

14 (1) The governing body ~~must~~ shall pass a resolution indicating its intent to exceed the current  
15 statutory mill levy on the approval of a majority of the qualified electors voting in an election under  
16 subsection (2). The resolution must include:

17 (a) the specific purpose for which the additional money will be used;

18 (b) the specific dollar amount to be raised;

19 (c) the approximate number of mills required; and

20 (d) the specific mill levy limitation to be exceeded.

21 (2) The governing body ~~must~~ shall submit the question of the additional mill levy to the qualified  
22 electors of the municipality at the next regular primary or general election on either odd-numbered or  
23 even-numbered years. The question may not be submitted more than once in any calendar year. If the  
24 majority voting on the question are in favor of the additional levy or levies, the governing body is  
25 authorized to exceed the statutory mill levy limit in the amount specified in the resolution for a period not  
26 to exceed 2 years.

27 (3) An election is not required for a governing body to impose less than the maximum number of  
28 mills or to carry forward authorization to impose the maximum number of mills in a subsequent tax year  
29 as provided in 15-10-420(1)(b)."

30

1           **Section 3.** Section 15-10-420, MCA, is amended to read:

2           **"15-10-420. Procedure for calculating levy.** (1) (a) A governmental entity that is authorized to  
3 impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed  
4 in the prior year, even if that levy is greater than the levy established by law. The maximum number of  
5 mills that a governmental entity may impose is established by calculating the number of mills required to  
6 generate the amount of property tax actually assessed in the governmental unit in the prior year based on  
7 the current year taxable value, less the value of newly taxable property.

8           (b) A governmental entity that does not impose the maximum number of mills authorized under  
9 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference  
10 between the actual number of mills imposed and the maximum number of mills authorized to be imposed.  
11 The mill authority carried forward may be imposed in a subsequent tax year.

12           (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any  
13 additional levies authorized by the voters to all property in the governmental unit, including newly taxable  
14 property.

15           (3) For purposes of this section, newly taxable property includes:

16           (a) annexation of real property and improvements into a taxing unit;

17           (b) construction, expansion, or remodeling of improvements;

18           (c) transfer of property into a taxing unit;

19           (d) subdivision of real property;

20           (e) reclassification of property;

21           (f) transfer of property from tax-exempt to taxable status; and

22           (g) revaluations caused by expansion, addition, replacement, or remodeling of improvements.

23           (4) Subsection (1)(a) does not apply to school district general fund levies and the school district  
24 levy for tuition obligations established in 20-5-324(5).

25           (5) For purposes of subsection (1)(a), taxes imposed:

26           (a) include registration fees imposed on light vehicles under 61-3-561 and distributed under  
27 61-3-509(2); and

28           (b) do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

29           (6) In determining the maximum number of mills in subsection (1)(a), the governmental entity shall  
30 take into account any change from the prior year in the amount of statutory reimbursements for changes

1 in the property tax laws. The amount of motor vehicle disposition under 61-3-509(2), as that section read  
2 on December 31, 2000, is an increased statutory reimbursement. It may increase the number of mills to  
3 account for a decrease in reimbursements and shall decrease the number of mills to fully account for any  
4 increase in reimbursements.

5 (7) The department shall calculate the number of mills to be imposed for purposes of 15-10-107,  
6 20-9-331, 20-9-333, 20-9-360, 20-25-423, 20-25-439, and 53-2-813. However, the number of mills  
7 calculated by the department may not exceed the mill levy limits established in those sections.

8 (8) The department may adopt rules to implement this section. The rules may include a method  
9 for calculating the percentage of change in valuation for purposes of determining the elimination of  
10 property, new improvements, or newly taxable property in a governmental unit."

11 - END -